



FITTERS DIVERSIFIED BERHAD

Company No: 149735-M

(Incorporated in Malaysia)

Interim Financial Report

30 June 2018

FITTERS DIVERSIFIED BERHAD

(Company No. 149735-M)

ANNOUNCEMENT OF UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018

The Board of Directors are pleased to announce the unaudited consolidated results of the Company for the financial quarter ended 30 June 2018.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018 - unaudited**

	SECOND QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30-Jun-2018 RM'000	30-Jun-2017 RM'000	30-Jun-2018 RM'000	30-Jun-2017 RM'000
Revenue	74,433	59,000	151,823	130,275
Cost of sales	(61,728)	(51,310)	(128,436)	(114,081)
Gross profit	12,705	7,690	23,387	16,194
Interest income	646	134	1,306	276
Other income	140	1,005	459	1,109
Selling and marketing expenses	(824)	(701)	(1,544)	(1,670)
Impairment loss on receivables	(211)	(819)	(378)	(1,470)
Administrative expenses	(5,072)	(5,935)	(9,919)	(9,805)
Depreciation and amortisation	(2,799)	(1,931)	(5,272)	(3,858)
Forex gain/ (loss)	67	4	117	(19)
Finance costs	(1,581)	(1,606)	(3,057)	(3,166)
Profit/(loss) before tax	3,071	(2,159)	5,099	(2,409)
Income tax expense	(1,379)	(885)	(2,757)	(1,599)
Profit/(loss) after tax	1,692	(3,044)	2,342	(4,008)
Loss for the financial period for discontinued operation, net of tax	-	(163)	-	(475)
Profit/(loss) for the financial period	1,692	(3,207)	2,342	(4,483)
Other comprehensive (loss)/profit	10	(447)	(78)	(535)
Total comprehensive profit/(loss) for the financial period	1,702	(3,654)	2,264	(5,018)
Profit/(loss) attributable to :				
Owners of the Company	1,798	(2,007)	3,184	(2,847)
Non-controlling interests	(106)	(1,200)	(842)	(1,636)
	1,692	(3,207)	2,342	(4,483)
Earnings/(loss) per share attributable to owners of the Company :				
Basic (sen)	0.40	(0.43)	0.71	(0.61)

(The Condensed Consolidated Statements Of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements)

FITTERS DIVERSIFIED BERHAD

(Company No. 149735-M)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	(Unaudited) AS AT END OF CURRENT QUARTER 30-Jun-2018 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	240,393	244,189
Investment properties	1,370	1,321
Intangible assets	5,684	5,684
Investment securities	2,322	2,321
Trade and other receivables	39,229	33,599
Deferred tax assets	361	479
	289,359	287,593
Current assets		
Development properties	98,281	96,826
Inventories	39,473	38,360
Current tax assets	447	1,146
Trade and other receivables	109,402	84,039
Other current assets	18,692	26,794
Investment securities	1	1
Deposits, cash and bank balances	20,662	20,534
	286,958	267,700
TOTAL ASSETS	576,317	555,293

FITTERS DIVERSIFIED BERHAD

(Company No. 149735-M)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	(Unaudited) AS AT END OF CURRENT QUARTER 30-Jun-2018 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2017 RM'000
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	99,276	70,279
Current tax liabilities	1,541	446
Trade and other payables	50,847	55,642
Other current liabilities	9,565	13,434
	161,229	139,801
Net current assets	125,729	127,899
Non-current liabilities		
Loans and borrowings	54,406	64,645
Trade and other payables	997	377
Deferred tax liabilities	3,112	3,315
	58,515	68,337
TOTAL LIABILITIES	219,744	208,138
NET ASSETS	356,573	347,155
Equity attributable to owners of the Company		
Share Capital	240,396	240,366
Treasury Shares	(14,539)	(11,663)
Revaluation Reserve	23,040	23,040
Capital Reserve	7,275	7,275
Exchange Reserve	463	541
Retained Earnings	86,761	83,577
	343,396	343,136
Non-controlling interests	13,177	4,019
Total equity	356,573	347,155
TOTAL EQUITY AND LIABILITES	576,317	555,293
Net Assets per Share (RM) **	0.7725	0.7592

** Net assets per share is calculated based on Total Assets (including intangibles) minus Total Liabilities and Non-controlling interest divided by the total number of ordinary shares less treasury shares.

(The Condensed Consolidated Statement Of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2017)

FITTEES DIVERSIFIED BERHAD

(Company No. 149735-M)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018 - unaudited

	[----- Attributable to owners of the Company -----]									
	[----- Non-distributable -----]					[----- Distributable -----]			Non-	Total
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Revaluation Reserve RM'000	Exchange Reserve RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000	Controlling Interests RM'000	Equity RM'000
<u>6 months ended 30 June 2018</u>										
Balance as at 1 January 2018	240,366	-	7,275	23,040	541	(11,663)	83,577	343,136	4,019	347,155
Total comprehensive income	-	-	-	-	(78)	-	3,184	3,106	(842)	2,264
Treasury shares acquired	-	-	-	-	-	(7,774)	-	(7,774)	-	(7,774)
Treasury shares disposed	30	-	-	-	-	4,898	-	4,928	-	4,928
Share subscription by Minority										
Shareholder during the year	-	-	-	-	-	-	-	-	10,000	10,000
Balance as at 30 June 2018	<u>240,396</u>	<u>-</u>	<u>7,275</u>	<u>23,040</u>	<u>463</u>	<u>(14,539)</u>	<u>86,761</u>	<u>343,396</u>	<u>13,177</u>	<u>356,573</u>
<u>6 months ended 30 June 2017</u>										
Balance as at 1 January 2017	240,248	118	7,275	18,153	9,783	(5,330)	83,907	354,154	6,974	361,128
Total comprehensive income	-	-	-	-	(535)	-	(2,847)	(3,382)	(1,636)	(5,018)
Treasury shares acquired	-	-	-	-	-	(3,028)	-	(3,028)	-	(3,028)
Balance as at 30 June 2017	<u>240,248</u>	<u>118</u>	<u>7,275</u>	<u>18,153</u>	<u>9,248</u>	<u>(8,358)</u>	<u>81,060</u>	<u>347,744</u>	<u>5,338</u>	<u>353,082</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2017)

FITTERS DIVERSIFIED BERHAD
(Company No. 149735-M)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018 - unaudited

	(Unaudited) 6 months ended 30-Jun-2018 RM'000	(Unaudited) 6 months ended 30-Jun-2017 RM'000
Profit/(loss) before tax		
- Continuing operations	5,099	(2,409)
- Discontinued operation	-	(475)
	5,099	(2,884)
Adjustment for non-cash items:		
Operating items	6,416	5,297
Investing items	1,758	2,893
Operating profit before changes in working capital	13,273	5,306
Changes in Working Capital:		
Inventories	(1,113)	2,792
Receivables	(31,447)	7,101
Payables	(4,175)	(15,691)
Property development	(1,455)	(2,745)
Construction contracts	4,234	6,977
Cash generated from operating activities	(20,683)	3,740
Net tax paid	(1,048)	(500)
Interest paid	(3,057)	(3,166)
Net cash generated from operating activities	(24,788)	74
Cash Flow from investing activities		
Interest received	1,306	276
Purchase of investment property	(57)	-
Proceeds from disposal of property, plant & equipment	25	171
Purchase of property, plant & equipment	(1,493)	(2,295)
	(219)	(1,848)
Cash Flow from financing activities		
Purchase of treasury shares	(7,774)	(3,028)
Disposal of treasury shares	4,928	-
Share subscription by Minority Shareholder	10,000	-
Hire Purchase & Lease repayment	(183)	(127)
Net drawdown/(repayment) of bank borrowings	19,586	(20,891)
	26,557	(24,046)
Net change in cash & cash equivalents	1,550	(25,820)
Cash & cash equivalents at beginning of year	18,548	48,195
Cash & cash equivalents at end of period	20,098	22,375

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2017)

FITTERS DIVERSIFIED BERHAD
(Company No. 149735-M)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018 - unaudited

1. Basis of Preparation

The interim financial statements have been prepared under the historical cost convention except for revaluation of certain freehold land and building included within property, plant and equipment and the following assets and liabilities that are stated at fair value: available-for-sale financial assets and investment properties.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2017.

2. Changes in Accounting Policies

The significant accounting policies, methods of computation and basis of consolidation adopted are consistent with those of the audited financial statements for the year ended 31 December 2017.

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1 January 2012, the MASB had on 19 November 2011 issued a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1 January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Int 15 Agreements for the Construction of Real Estate ("Transitioning Entities"). The Transitioning Entities also include those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, certain subsidiaries in the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs Framework. The Group and the Company will prepare their first MFRSs financial statements using the MFRSs Framework for the financial year ending 31 December 2018 .

3. Auditors' Report on Preceding Annual Financial Statements

The report of the Auditors for the preceding financial year ended 31 December 2017 was not subject to any qualification.

FITTERS DIVERSIFIED BERHAD
(Company No. 149735-M)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018 - unaudited

4. Segmental Information

Analysis of the Group's results by business segments:

	Second Quarter		Cumulative Quarter	
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Fire Services	24,306	28,432	47,527	59,312
Property Development & Construction	19,484	1,436	36,356	3,641
Renewable & Waste-To-Energy	26,598	30,647	62,883	69,350
HYPRO® PVC-O Pipes Manufacturing & Distribution	4,972	1,301	6,829	2,248
Investment holding and others	-	-	-	-
Total revenue including inter-segment sales	75,360	61,816	153,595	134,551
Elimination of inter-segment sales	(927)	(2,816)	(1,772)	(4,276)
Total	74,433	59,000	151,823	130,275
Segment Result				
Fire Services	353	369	1,449	1,560
Property Development & Construction	4,475	(410)	8,599	306
Renewable & Waste-To-Energy	(1,220)	325	(2,274)	(530)
HYPRO® PVC-O Pipes Manufacturing & Distribution	(154)	(2,841)	(1,885)	(4,273)
Investment holding and others	(683)	640	(953)	839
Total result including inter-segment profit	2,771	(1,917)	4,936	(2,098)
Elimination of inter-segment profit	300	(242)	163	(311)
Total	3,071	(2,159)	5,099	(2,409)

5. Exceptional or Unusual Items

During the financial quarter, there was no item of exceptional or unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group.

6. Changes in Estimates

There were no changes in estimates that have a material effect in the current quarter.

7. Comment about Seasonal or Cyclical Factors

The business operations of the Group for the quarter are not materially affected by any seasonal or cyclical factor.

8. Dividend Paid

The Board of Directors does not recommend the payment of any dividend in respect of the financial period ended 30 June 2018.

FITTERS DIVERSIFIED BERHAD
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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018 - unaudited

9. Carrying Amount of Revalued Assets

The valuation of properties, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 December 2017.

10. Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, shares buy-back, shares cancellation, shares held as treasury shares and resale of treasury shares during the financial period to-date except as disclosed below:-

Treasury Shares

- (i) During the six ended 30 June 2018, the Company repurchased its issued ordinary shares from the open market totalling 19,560,200 units at an average price of RM0.3872 per share. The total consideration paid for the repurchase including transaction costs was RM7,773,744. The shares repurchased are being held as Treasury Shares in accordance with Section 67A of the Companies Act, 2016.
- (ii) During the quarter under review, the Company resale 12,100,000 units of its Treasury Shares via the open market at an average price of RM0.4073 per share. The total shares proceeds for the disposal net of transaction costs was RM4,928,033.

The Company held a total of 35,973,200 units of Treasury Shares as at 30 June 2018 at a value of RM14,539,328.

11. Subsequent Event

There was no material event subsequent to the financial quarter ended 30 June 2018.

12. Changes in Composition of the Group

There was no change in the composition of the Group during the financial period under review.

13. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 June 2018 is as follows:

	RM'000
Approved and contracted for : Property, plant and equipment	392
	392

14. Contingent Liabilities

Corporate guarantees were given by the Company in respect of the following:

	RM'000
Banks and financial institutions credit facilities granted to subsidiary companies	340,876
Corporations for trade credit facilities granted to subsidiary companies	150,910
	491,786

There are no further contingent liabilities save for that disclosed above.

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

1. Performance Review

For the quarter ended 30 June 2018, the Group recorded an increase in revenue by 26.2% to RM74.4 million from RM59.0 million and a profit before tax of RM3.1 million, an improvement from a loss of RM2.2 million as compared to the previous corresponding quarter ended 30 June 2017.

For the 6 months under review, the Group recorded an increase in revenue by 16.5% to RM151.8 million from RM130.3 million and a profit before taxation of RM5.1 million, an improvement from a loss of RM2.4 million, as compared to the previous corresponding period.

The detailed analysis and explanation for the variances for each business segment are as follows:

(i) Business segment: Fire Services (RM'000)

	Second Quarter			Cumulative Quarter		
	30/6/2018	30/6/2017	Changes	30/6/2018	30/6/2017	Changes (%)
Revenue	24,306	28,432	-14.5%	47,527	59,312	-19.9%
Profit/(loss) before tax	353	369	-4.3%	1,449	1,560	-7.1%

During the quarter ended 30 June 2018, the Fire Services Division posted a decline in both revenue and profit before tax by 14.5% and 4.3% respectively as compared to the previous year. For the cumulative financial period, both revenue and profit before tax recorded a decline of 19.9% and 7.1% respectively.

The decline was mainly due to decrease in sales from its trading business coupled with slow-down in the progress of certain projects and uncertified project variation orders under Fire-fighting Engineering business.

(ii) Business segment: Property Development & Construction (RM'000)

	Second Quarter			Cumulative Quarter		
	30/6/2018	30/6/2017	Changes	30/6/2018	30/6/2017	Changes (%)
Revenue	19,484	1,436	1256.8%	36,356	3,641	898.5%
Profit/(loss) before tax	4,475	(410)	-	8,599	306	2710.1%

For the Property Development & Construction Division, both revenue and profit before tax recorded a significant improvement to RM19.5 million and RM4.5 million respectively during the current quarter as compared to the previous year. For the cumulative financial period, both revenue and profit before tax increased by 898.5% and 2710.1% respectively.

The increased was contributed by the work progress of the project management & construction contract obtained in the fourth quarter of 2017.

(iii) Business segment: Renewable & Waste-To-Energy (RM'000)

	Second Quarter			Cumulative Quarter		
	30/6/2018	30/6/2017	Changes	30/6/2018	30/6/2017	Changes (%)
Revenue	26,598	30,647	-13.2%	62,883	69,350	-9.3%
(Loss)/profit before tax	(1,220)	325	-475.4%	(2,274)	(530)	-

The Renewable & Waste-to-Energy Division recorded a decline in revenue by 13.2% as compared to previous year and recorded a loss before tax of RM1.2 million for the quarter under review.

For the cumulative year, the division recorded RM62.9 million in revenue, a decline by 9.3% and a loss before tax of RM2.3 million as compared to the previous financial year.

The decline is primarily due to the decline in crude palm oil and palm kernel price by 12.3% and 20.1% respectively and lower crop trend as experienced in the area we are operating as compared to previous corresponding quarter.

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

1. Performance Review (continued)

(iv) Business segment: HYPRO® PVC-O Pipes Manufacturing & Distribution (RM'000)

	Second Quarter			Cumulative Quarter		
	30/6/2018	30/6/2017	Changes	30/6/2018	30/6/2017	Changes (%)
Revenue	4,972	1,301	282.2%	6,829	2,248	203.8%
Profit/(loss) before tax	(154)	(2,841)	-	(1,885)	(4,273)	-

HYPRO® PVC-O Pipes Manufacturing & Distribution Division, a relatively new set-up, recorded a revenue of RM4.9 million, an increase of 282.2% and a lower loss before tax of RM0.2 million as compared to the previous corresponding quarter.

For the cumulative financial period, the division recorded RM6.8 million in revenue, an increased of 203.8% and loss before tax of RM1.9 million as compared to a loss of RM5.9 million in the previous financial period under review.

2. Comment on Material Changes in Profit Before Taxation Against Immediate Preceding Quarter

The material changes in profit before taxation for the current quarter as compared to the immediate preceding quarter are as follow :

	Current Quarter	Immediate Preceding Quarter	Changes	
	30/6/2018	31/3/2018	Amount	%
Profit/(loss) before taxation	3,071	2,028	1,043	94.4%

The material changes are mainly due to the following :

- i.) Fire Services division which recorded a profit of RM0.4 million as compared to RM1.1 million in the first quarter of FYE 2018 due to decrease in sales from its trading businesses and slow-down in the progress of certain projects.
- ii.) Property, Development & Construction division which recorded a profit of RM4.5 million as compared to RM4.1 million in the previous quarter contributed from the work progress of a contract awarded in FYE2017.
- iii.) HYPRO® PVC-O Pipes Manufacturing & Distribution Division, a relatively new set-up, recorded a lower loss of RM0.2 million as compared to RM1.7 million in the first quarter due to increase of sales.

FITTERS DIVERSIFIED BERHAD
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ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD

3. Commentary of Prospects

The sectors in which the Group operates are still in cautious sentiment and characterised by short and medium term uncertainties as the general market experienced. The Group continues to monitor closely the market conditions and put in place prudent business development strategies to ensure that it remains resilient and proactively respond to the challenges.

Despite the challenges, the Group has intensified its efforts to enhance the performance of its existing businesses. The property development & construction division, is continuing with its progress of the RM97.8 million project management & construction contract which is poised to contribute substantially to the Group's turnover and profitability for FY 2018 and 2019.

The stringent measures implemented earlier by our palm oil mill has yielded encouraging results and the management is committed to further enhance on its potential. The 2 Megawatt Biogas Power generation facility which was commissioned and operating since last quarter generated encouraging revenue and its performance is promising.

The management and marketing team of HYPRO® PVC-O pipes division continues to intensify its efforts to enable engagement with the relevant authorities and to expand its reach to other sectors. Management is still confident that revenue shall increase in the coming quarters, albeit at a much slower pace in the light of the cautious economic and business climate.

Despite the slowdown in the building and construction sector that resulted in a decline in the division's revenue and profitability, the fire services division will continues to put in concerted efforts to increase its revenue stream through greater participation in cross sectoral projects.

At the prevailing market conditions, the Group remains cautious but optimistic about its prospects for the remaining period of the year.

4. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

FITTERS DIVERSIFIED BERHAD
(Company No. 149735-M)

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

5. Income Tax Expense

	Second Quarter		Cumulative Quarter	
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
	RM'000	RM'000	RM'000	RM'000
Income tax				
- Current year	1,379	546	2,785	1,275
- Prior year	(3)	-	1	-
	1,376	546	2,786	1,275
Deferred tax	3	339	(29)	324
Total income tax expense	<u>1,379</u>	<u>885</u>	<u>2,757</u>	<u>1,599</u>

The effective tax rate for the Group was higher than the statutory rate due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries and certain expenses which are not deductible for tax purposes.

6. Corporate Proposals

(a) Status of Corporate Proposals Announced But Not Completed

Save as disclosed below, there was no corporate proposal announced but not completed as at 18 May 2017, being the latest practicable date:

(i) Long Term Incentive Plan ("LTIP")

On 15 April 2013, the Company announced the proposal to establish a Long Term Incentive Plan ("Proposed LTIP") of up to 15% of the issued and paid-up share capital of the Company at any time during the duration of the Proposed LTIP, for the eligible employees and Executive Directors of the FITTERS Group.

The Listing application of the Proposed LTIP had been submitted to Bursa Malaysia Securities Berhad on 30 April 2013 and was approved vide its letter dated 15 May 2013.

The effective date of implementation of the LTIP is 11 November 2013 and will be in force for a period of 5 years and may be extended for up to another 5 years immediately from the expiry of the first 5 years, but will not in aggregate exceed 10 years from the Effective Date.

(b) Status of Utilisation of Proceeds Raised from Corporate Proposal

There was no corporate proposal involving fund raising.

FITTERS DIVERSIFIED BERHAD
(Company No. 149735-M)

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD

7. Group Borrowings

The total Group borrowings are as follows:

	As at 30/6/2018 RM'000	As at 31/12/2017 RM'000
Short term borrowings		
Secured		
Term Loans	45,346	26,114
Finance lease liabilities	412	345
Bank overdrafts	564	596
Bankers acceptance	17,294	21,356
Revolving credits	27,145	10,245
Unsecured		
Bank overdrafts	-	1,390
Bankers acceptance	8,515	3,533
Revolving credits	-	6,700
	<u>99,276</u>	<u>70,279</u>
Long term borrowings		
Secured		
Term Loans	53,616	63,894
Finance lease liabilities	790	751
	<u>54,406</u>	<u>64,645</u>

The above include borrowings denominated in foreign currency as follows:

	As at 30/6/2018 RM'000	As at 31/12/2017 RM'000
Euro	<u>2,071</u>	<u>2,924</u>

8. Material Litigation

The Group does not have any material litigation for the financial year under review.

9. Dividend Payable

The Board of Directors does not recommend the payment of any dividend in respect of the financial period ended 30 June 2018.

FITTERS DIVERSIFIED BERHAD
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ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD

10. Earnings Per Share

(a) Basic Earnings Per Share

Basic earnings per share are calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the year excluding treasury shares held by the Company.

	Second Quarter		Cumulative Quarter	
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) attributable to ordinary equity holders of the Company	1,798	(2,007)	3,184	(2,847)
Adjusted weighted average number of ordinary shares in issue 448,587,877 (2017: 466,260,708) ('000)	448,588	466,261	448,588	466,261
Basic earnings/(loss) per share (sen)	0.40	(0.43)	0.71	(0.61)

(b) Diluted Earnings Per Share

The Company has potential ordinary shares in the form of warrants. The effect on the basic earnings per share for the current quarter from the assumed conversion of warrants is anti-dilutive. Accordingly, the diluted earnings per share for the current quarter is not presented.

11. Disclosure of Realised and Unrealised Profits/Losses

The breakdown of the retained earnings of the Group as at 30 June 2018 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Current	As at end of
	financial	last
	year ended	financial
	30/6/2018	year
	RM'000	31/12/2017
		RM'000
Total retained profits of FITTERS Diversified Berhad and its subsidiaries:		
- Realised	84,972	68,236
- Unrealised	2,269	2,896
	87,241	71,132
Add: Consolidation adjustments	(480)	12,445
Total retained profits	86,761	83,577

FITTERS DIVERSIFIED BERHAD
(Company No. 149735-M)

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD

12. Authorisation for Issue

The interim financial statements for the period ended 30 June 2018 were authorised for issue in accordance with a resolution of the Board of Directors on 29 August 2018.

FITTERS DIVERSIFIED BERHAD

DATO' WONG SWEE YEE
MANAGING DIRECTOR
Kuala Lumpur
29 August 2018